

The background of the entire page is a golden-yellow color with a grid pattern. A large, stylized map of the world is overlaid on this grid, with several countries highlighted in a darker shade of gold. In the upper right corner, the word "AUTOMATED" is written in a bold, blue, sans-serif font, with horizontal lines passing through the letters. Below this, the company name "Automated Systems Holdings Limited" is written in a smaller, black, sans-serif font, followed by the text "(Incorporated in Bermuda with Limited Liability)" in an even smaller font. In the center of the page, three men in business suits are standing on a green, circular platform. They are looking at a document held by one of the men. The platform is surrounded by a large, glowing green ring. The overall aesthetic is professional and technological.

AUTOMATED

Automated Systems Holdings Limited

(Incorporated in Bermuda with Limited Liability)

INTERIM REPORT 2004

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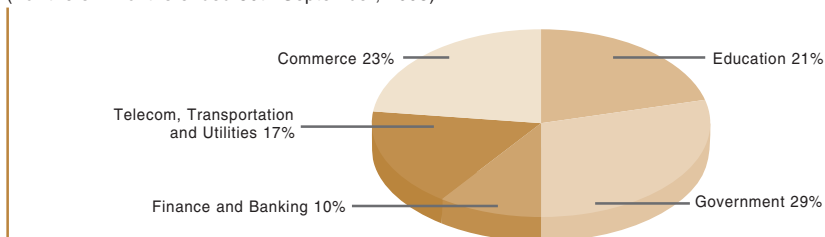
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FINANCIAL SUMMARY

Year	Turnover (HK\$ Million)	Net Profit Attributable to Shareholders (HK\$ Million)
1999	384	23.3
2000	580	31.7
2001	629	23.8
2002	523	18.9
2003	447	2.7

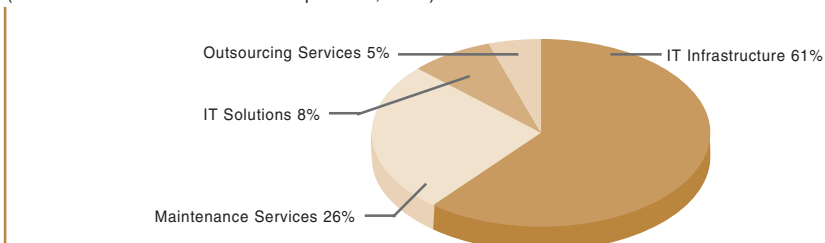
Turnover by Industry

(For the six months ended 30th September, 2003)



Turnover by Business Category

(For the six months ended 30th September, 2003)



CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30th September, 2003

	Notes	Three months ended		Six months ended	
		30.9.2003 (Unaudited) HK\$'000	30.9.2002 (Unaudited) HK\$'000	30.9.2003 (Unaudited) HK\$'000	30.9.2002 (Unaudited) HK\$'000
TURNOVER	3	204,124	292,478	446,704	523,141
Cost of sales		(141,106)	(206,494)	(321,916)	(362,950)
Other operating income		10,253	26,969	11,420	27,833
Sales and technical support costs		(50,462)	(65,136)	(108,955)	(132,096)
Distribution costs		(3,640)	(3,603)	(4,661)	(7,421)
Administrative expenses		(8,546)	(10,411)	(17,050)	(21,226)
Restructuring costs		(1,150)	(5,303)	(1,349)	(5,303)
PROFIT FROM OPERATIONS	4	9,473	28,500	4,193	21,978
Finance costs		(105)	(485)	(224)	(775)
Share of results of associates		(61)	(95)	(74)	(163)
PROFIT BEFORE TAXATION		9,307	27,920	3,895	21,040
Taxation	5	(294)	(1,701)	(294)	(1,957)
PROFIT BEFORE MINORITY INTERESTS		9,013	26,219	3,601	19,083
Minority interests		(685)	(132)	(919)	(145)
PROFIT FOR THE PERIOD		8,328	26,087	2,682	18,938
Interim dividend	6	2,910	4,623	2,910	4,623
EARNINGS PER SHARE	7				
Basic		<u>2.86 cents</u>	<u>9.03 cents</u>	<u>0.92 cents</u>	<u>6.56 cents</u>
Diluted		<u>2.86 cents</u>	<u>9.01 cents</u>	<u>0.92 cents</u>	<u>6.54 cents</u>

CONDENSED CONSOLIDATED BALANCE SHEET

At 30th September, 2003

		30.9.2003 (Unaudited)	31.3.2003 (Audited) (Restated)
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment	8	161,940	162,617
Intangible assets		6,534	7,069
Interests in associates		315	389
Club memberships		900	900
		169,689	170,975
CURRENT ASSETS			
Inventories		102,121	101,976
Trade receivables	9	148,419	142,246
Other receivables, deposits and prepayments		30,079	24,669
Investments in securities		37,421	56,293
Bank balances and cash		217,786	295,831
		535,826	621,015
CURRENT LIABILITIES			
Trade and bills payables	10	120,034	170,422
Other payables and accruals		42,094	38,288
Receipts in advance		67,839	93,920
Taxation		3,954	4,731
Bank borrowings	11	18,387	29,181
		252,308	336,542
NET CURRENT ASSETS		283,518	284,473
TOTAL ASSETS LESS CURRENT LIABILITIES		453,207	455,448
NON-CURRENT LIABILITY			
Deferred taxation		11,739	11,739
MINORITY INTERESTS			
		5,672	4,753
		435,796	438,956
CAPITAL AND RESERVES			
Share capital		29,095	29,091
Reserves		406,701	409,865
		435,796	438,956

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th September, 2003

	Unaudited						Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Investment revaluation reserve HK\$'000	Translation reserve HK\$'000	Accumulated profits HK\$'000	
At 1st April, 2002							
– as originally stated	28,883	68,799	34,350	78,060	(84)	278,122	488,130
– prior period adjustment (Note 2)	–	–	–	–	–	(5,755)	(5,755)
– as restated	<u>28,883</u>	<u>68,799</u>	<u>34,350</u>	<u>78,060</u>	<u>(84)</u>	<u>272,367</u>	<u>482,375</u>
Exchange difference on translation of overseas operations	–	–	–	–	(5)	–	(5)
Deficit on revaluation of investments	–	–	–	(54,728)	–	–	(54,728)
Net losses not recognised in the income statement	–	–	–	(54,728)	(5)	–	(54,733)
Exercise of share options	8	64	–	–	–	–	72
Realised on disposal of investments	–	–	–	(5,844)	–	–	(5,844)
Profit for the period	–	–	–	–	–	18,938	18,938
Final dividend for 2002 paid	–	–	–	–	–	(8,665)	(8,665)
At 30th September, 2002	<u>28,891</u>	<u>68,863</u>	<u>34,350</u>	<u>17,488</u>	<u>(89)</u>	<u>282,640</u>	<u>432,143</u>
Exchange difference on translation of overseas operations	–	–	–	–	(54)	–	(54)
Deficit on revaluation of investments	–	–	–	(3,585)	–	–	(3,585)
Net losses not recognised in the income statement	–	–	–	(3,585)	(54)	–	(3,639)
Placing of new shares	200	2,060	–	–	–	–	2,260
Shares issue expenses	–	(175)	–	–	–	–	(175)
Realised on disposal of investments	–	–	–	(4,256)	–	–	(4,256)
Profit for the period	–	–	–	–	–	17,246	17,246
Interim dividend for 2003 paid	–	–	–	–	–	(4,623)	(4,623)
At 31st March, 2003	<u>29,091</u>	<u>70,748</u>	<u>34,350</u>	<u>9,647</u>	<u>(143)</u>	<u>295,263</u>	<u>438,956</u>
Exchange difference on translation of overseas operations	–	–	–	–	(12)	–	(12)
Surplus on revaluation of investments	–	–	–	3,921	–	–	3,921
Net gains (losses) not recognised in the income statement	–	–	–	3,921	(12)	–	3,909
Exercise of share options	4	32	–	–	–	–	36
Realised on disposal of investments	–	–	–	(5,132)	–	–	(5,132)
Profit for the period	–	–	–	–	–	2,682	2,682
Final dividend for 2003 paid	–	–	–	–	–	(4,655)	(4,655)
At 30th September, 2003	<u>29,095</u>	<u>70,780</u>	<u>34,350</u>	<u>8,436</u>	<u>(155)</u>	<u>293,290</u>	<u>435,796</u>

The special reserve of the Group represents the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the Company's shares issued for the acquisition at the time of the group reorganisation prior to the listing of the Company's shares in 1997.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30th September, 2003

	Six months ended	
	30.9.2003 (Unaudited) <i>HK\$'000</i>	30.9.2002 (Unaudited) (Restated) <i>HK\$'000</i>
NET CASH USED IN OPERATING ACTIVITIES	(72,977)	(105,481)
NET CASH FROM INVESTING ACTIVITIES	91,433	52,566
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(16,516)	33,836
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,940	(19,079)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	83,215	51,937
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(202)	(593)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	84,953	32,265
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	85,832	32,265
Bank overdraft	(879)	–
	84,953	32,265

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Basis of Preparation

The condensed financial statements have been prepared in accordance with Statement of Standard Accounting Practice ("SSAP") No. 25 "Interim Financial Reporting" issued by the Hong Kong Society of Accountants and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

2. Principal Accounting Policies

The condensed financial statements have been prepared under the historical cost convention, as modified for the revaluation of certain properties and investments in securities.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st March, 2003, except for the adoption of SSAP 12 (Revised) "Income Taxes" which becomes effective in the current period.

The principal effect of the implementation of SSAP 12 (Revised) is in relation to deferred tax. In previous years, partial provision was made for deferred tax using the income statement liability method, i.e. a liability was recognised in respect of timing differences arising, except where those timing differences were not expected to reverse in the foreseeable future. SSAP 12 (Revised) requires the adoption of a balance sheet liability method, whereby deferred tax is recognised in respect of all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, with limited exceptions. In the absence of any specific transitional requirements in SSAP 12 (Revised), the new accounting policy has been applied retrospectively. Comparative amounts have been restated accordingly. As a result of this change in policy, the accumulated profits at 1st April, 2002 has been decreased by HK\$5,755,000, and has had no material effect on the results for each of the three months and the six months ended 30th September, 2003 and 2002.

3. Turnover and Segmental Information

Turnover represents the net amount received and receivable for goods sold by the Group to outside customers, less returns and allowances and revenue from service contracts, and is analysed as follows:

	Three months ended		Six months ended	
	30.9.2003 (Unaudited) HK\$'000	30.9.2002 (Unaudited) HK\$'000	30.9.2003 (Unaudited) HK\$'000	30.9.2002 (Unaudited) HK\$'000
Sales of goods	120,694	199,766	273,518	370,241
Revenue from service contracts	83,430	92,712	173,186	152,900
	<u>204,124</u>	<u>292,478</u>	<u>446,704</u>	<u>523,141</u>

Although the Group sells computer products and provides a wide range of services, in the opinion of the directors, all the sales of goods and provision of services are IT related and, in most of the time, are negotiated under a single contract with a single customer. Accordingly, the directors consider that the Group is engaged in one single business segment, namely IT services, and mainly serves the Hong Kong market.

4. Profit from Operations

	Three months ended		Six months ended	
	30.9.2003 (Unaudited) HK\$'000	30.9.2002 (Unaudited) HK\$'000	30.9.2003 (Unaudited) HK\$'000	30.9.2002 (Unaudited) HK\$'000
Profit from operations has been arrived at after charging:				
Depreciation and amortisation:				
Intangible assets (included in sales and technical support costs)	578	1,513	1,539	3,008
Property, plant and equipment	8,728	7,524	16,923	15,353
Loss on disposal of property, plant and equipment	194	653	550	804
and after crediting:				
Interest income	394	500	966	1,104
Dividend income from listed securities	7,226	20,810	7,226	20,810
Gain on disposal of listed securities	2,815	5,181	2,815	5,181
	<u>2,815</u>	<u>5,181</u>	<u>2,815</u>	<u>5,181</u>

5. Taxation

	Three months ended		Six months ended	
	30.9.2003 (Unaudited) HK\$'000	30.9.2002 (Unaudited) HK\$'000	30.9.2003 (Unaudited) HK\$'000	30.9.2002 (Unaudited) HK\$'000
The charge comprises:				
Hong Kong Profits Tax	–	1,509	–	1,509
Overseas taxation	<u>294</u>	<u>192</u>	<u>294</u>	<u>448</u>
Taxation attributable to the Company and its subsidiaries	<u><u>294</u></u>	<u><u>1,701</u></u>	<u><u>294</u></u>	<u><u>1,957</u></u>

Hong Kong Profits Tax is calculated at 17.5% (FY03: 16%) of the estimated assessable profit for the three months and the six months ended 30th September, 2003. Overseas taxation is calculated at the rates prevailing in the respective jurisdictions.

6. Interim Dividend

The directors have determined that an interim dividend of HK1.0 cent (FY03: HK1.6 cents) per share for the six months ended 30th September, 2003 should be paid to the shareholders of the Company whose names appear in the register of members on 16th December, 2003.

7. Earnings Per Share

The calculation of the basic and diluted earnings per share is based on the following data:

	Three months ended		Six months ended	
	30.9.2003 (Unaudited) HK\$'000	30.9.2002 (Unaudited) HK\$'000	30.9.2003 (Unaudited) HK\$'000	30.9.2002 (Unaudited) HK\$'000
Earnings for the purpose of basic earnings per share and diluted earnings per share	<u>8,328</u>	<u>26,087</u>	<u>2,682</u>	<u>18,938</u>
	Number of shares '000		Number of shares '000	
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>290,943</u>	288,890	<u>290,927</u>	288,843
Effect of dilutive share options	<u>606</u>	<u>630</u>	<u>514</u>	<u>778</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>291,549</u>	<u>289,520</u>	<u>291,441</u>	<u>289,621</u>

8. Movements in Property, Plant and Equipment

During the period, the Group spent HK\$17,530,000 on property, plant and equipment. The Group disposed of property, plant and equipment with an aggregate carrying amount of HK\$1,494,000 for proceeds of HK\$944,000, resulting in a loss on disposal of HK\$550,000.

The Group's leasehold land and buildings were stated at valuation made in 1998, less depreciation and amortisation. The directors, after taking into account the current market condition, considered that the carrying amounts of the Group's leasehold land and buildings at 30th September, 2003 did not differ significantly from their market value at the same date.

9. Trade Receivables

The Group has granted credit to substantially all of its customers for 30 days. The Group seeks to maintain strict control over its outstanding receivables and has credit control procedures in place to minimise credit risk. Overdue balances are reviewed regularly by senior management.

An aged analysis of the trade receivables at the balance sheet date, based on payment due date and net of provisions, is as follows:

	30.9.2003 (Unaudited) HK\$'000	31.3.2003 (Audited) HK\$'000
Current	69,484	85,917
Within 1 month	40,593	26,255
1 – 2 months	11,917	16,935
2 – 3 months	16,483	7,982
Over 3 months	9,942	5,157
	<u>148,419</u>	<u>142,246</u>

10. Trade and Bills Payables

An aged analysis of trade and bills payables at the balance sheet date, based on payment due date, is as follows:

	30.9.2003 (Unaudited) HK\$'000	31.3.2003 (Audited) HK\$'000
Current	60,962	128,147
Within 1 month	39,290	26,981
1 – 2 months	15,024	6,479
2 – 3 months	2,061	1,794
Over 3 months	2,697	7,021
	<u>120,034</u>	<u>170,422</u>

11. Bank Borrowings

	30.9.2003 (Unaudited) <i>HK\$'000</i>	31.3.2003 (Audited) <i>HK\$'000</i>
Trust receipt loans	14,260	24,622
Bank loans	3,248	4,559
Bank overdraft	879	–
	<u>18,387</u>	<u>29,181</u>

The above bank borrowings are unsecured and repayable within one year.

12. Capital Commitments

	30.9.2003 (Unaudited) <i>HK\$'000</i>	31.3.2003 (Audited) <i>HK\$'000</i>
Capital expenditure in respect of the acquisition of property, plant and equipment:		
Authorised but not contracted for	11	41
Contracted for but not provided	880	2,400
	<u>891</u>	<u>2,441</u>

13. Contingent Liabilities

	30.9.2003 (Unaudited) <i>HK\$'000</i>	31.3.2003 (Audited) <i>HK\$'000</i>
Counter indemnities given to banks in respect of guarantees issued by the banks to the Group's customers	<u>23,504</u>	<u>21,912</u>

14. Related Party Transactions

During the period, the Group had the following transactions with fellow subsidiaries:

	Notes	Three months ended		Six months ended	
		30.9.2003 (Unaudited) HK\$'000	30.9.2002 (Unaudited) HK\$'000	30.9.2003 (Unaudited) HK\$'000	30.9.2002 (Unaudited) HK\$'000
Sales by the Group	(a)	472	207	1,497	337
Purchases by the Group	(a)	148	399	155	840
Rentals received					
by the Group	(b)	24	36	60	72
Staff costs reimbursed					
to the Group	(c)	34	129	242	346
Rentals and administrative					
expenses reimbursed					
by the Group	(c)	19	55	82	141

The above transactions were entered into on the following bases:

- The sale and purchase transactions were made according to the published prices and conditions similar to those offered to/by the major customers/suppliers of the Group.
- The rental income related to the letting of certain of the Group's properties to the related companies for office use. The monthly rental was determined by reference to open market rates.
- The staff costs, and rentals and administrative expenses were reimbursed at cost.

MANAGEMENT DISCUSSION AND ANALYSIS

Results and Business Review

The Group reported an unaudited profit of HK\$8.3 million for the second quarter of FY04 which offset the unaudited loss of HK\$5.6 million for the first quarter, bringing the unaudited profit for the 6 months ended 30th September, 2003 to HK\$2.7 million (FY03: HK\$18.9 million). Total revenue for the 3 months and 6 months ended 30th September, 2003 was HK\$204.1 million and HK\$446.7 million respectively, down from HK\$242.6 million for the first quarter and HK\$523.1 million for the corresponding 6-month period in FY03. The decrease was primarily attributed to lower sales in computer products as a result of reduced IT spending and the adverse impact from the SARS outbreak. In terms of revenue mix, service offering and outsourcing business accounted for 38.8% of the total revenue for the six months ended 30th September, 2003, up from 29.2% of the comparable period in FY03 and representing an increase of HK\$20.3 million. The Group won a total of HK\$150 million new contracts during the second quarter, and maintained a healthy balance sheet with net cash balance of HK\$216.9 million at the end of the interim period. The gearing ratio was 4.2%.

The Group continued to streamline its operation and controlled costs throughout the organization. Sales and technical support costs, and distribution and administration costs ("operating expenses") reduced by 7.9% or HK\$5.4 million as compared to the first quarter as a result of headcount reduction and lower discretionary expenses.

We continued to derive income from Data Systems Consulting Company Limited (DSC), the Group's listed investment in Taiwan. Included in the other income are dividend income from DSC and a gain from partial disposal of DSC shares amounting to HK\$10 million.

Subsequent Event

Subsequent to 30th September, 2003, we further restructured the operations of the company and reduced our workforce by 10%. The action was across all divisions. As a result, we have incurred a one-time restructuring cost of HK\$6.9 million in the third quarter of the current financial year. This will further decrease the operating expenses for the rest of the financial year.

Prospects

We foresee more challenges ahead and are re-aligning our business strategy to focus on key customers and sizeable projects that provide higher returns. We have enhanced our existing direct account sales model to provide one-stop-shop services to our customers and better management for large accounts. At the same time, it will allow us to better focus on large IT projects. We anticipate these changes will help improve our operating margin and grow our business in the longer term.

We will continue to focus on long-term government or quasi-government contracts that are relatively less affected by economic downturn. This will enable us to derive more predictable recurring revenues including services income in the future. In October 2003, we were awarded a 36-month security bulk contract from the Hospital Authority and a 24-month server bulk contract from the government. Most contracts typically come with renewal maintenance services annually. Some contracts have been renewed for more than 10 years and even exceeded the original contract value.

We will continue to monitor our operational efficiency and productivity, and align the cost structure with the revenue. We believe we are on the right track to achieve our goals.

Financial Resources and Liquidity

As at 30th September, 2003, the Group's total assets of HK\$705.5 million were financed by current liabilities of HK\$252.3 million, deferred tax of HK\$11.7 million, minority interests of HK\$5.7 million and shareholders' equity of HK\$435.8 million. The Group had a working capital ratio of approximately 2.12:1.

As at 30th September, 2003, the Group had an aggregate composite banking facilities from banks of approximately HK\$428 million of which HK\$43 million was utilized (30th September, 2002: HK\$53 million). The Group's gearing ratio was 4.2% (30th September, 2002: 6.6%) as at 30th September, 2003.

There was no charge on the Group's assets as at 30th September, 2003.

Treasury Policies

The Group generally financed its operations with internally generated resources and credit facilities provided by banks in Hong Kong. Bank facilities used by the Group include trust receipt loans, overdrafts and term loans. The interest rates of most of these are fixed by reference to the respective countries' Interbank Offer Rate. Both bank deposits and borrowings are mainly in Hong Kong dollars and United States dollars ("US dollars").

Foreign Exchange Exposure

The Group mainly earns revenue and incurs costs in US dollars and Hong Kong dollars. Foreign exchange exposure of the Group will continue to be minimal as long as the policy of the Government of HKSAR to link the Hong Kong dollars to the US dollars remains in effect. No material exposure to fluctuations in exchange rates was found, and therefore no related hedging financial instrument was applied during the six-month period ended 30th September, 2003.

Contingent Liabilities

Corporate guarantee to banks and vendors as security for banking facilities and goods supplied to the Group amounted to approximately HK\$96 million. The performance bond issued by the Group to customers as security of contract was approximately HK\$23 million.

Employee and Remuneration Policies

As at 30th September, 2003, the Group, excluding its associates, employed 1,006 permanent and contract staff in Hong Kong, Macau, Taiwan and Thailand. The Group remunerates its employees based on their performance, work experience and the prevailing market conditions. Bonuses are granted on a discretionary basis. Other employee benefits include mandatory provident fund, insurance, medical coverage and a share option scheme.

ADDITIONAL INFORMATION

Disclosure of Interests

A. Directors

As at 30th September, 2003, the interests and short positions of each director of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “Exchange”) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) were as follows:

Shares

Name of Company	Director	Personal Interests	Family Interests	Corporate Interests	Other	Total	Approximate % of Shareholding
Automated Systems Holdings Limited	LAI Yam Ting	4,141,621	-	-	-	4,141,621	1.42%
	Peter KUO Chi Yung	9,271,241	-	-	-	9,271,241	3.19%
Automated Systems (H.K.) Limited	LAI Yam Ting	1,070,000 ¹	-	-	-	1,070,000	N/A ²
	Peter KUO Chi Yung	2,140,000 ¹	-	-	-	2,140,000	N/A ²

Underlying Shares

Name of Company	Director	Personal Interests	Family Interests	Corporate Interests	Other	Total
Automated Systems Holdings Limited	LAI Yam Ting	1,588,000 ³	-	-	-	1,588,000
	Peter KUO Chi Yung	708,000 ³	-	-	-	708,000
	Edward LAU Ming Chi	718,000 ³	-	-	-	718,000
Computer Sciences Corporation	Samuel Timothy HILBERT	7,466 ⁴	-	-	-	7,466

Save as mentioned above, as at 30th September, 2003, the register maintained by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Exchange pursuant to the Listing Rules recorded no other interests or short positions of the directors in any shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO).

B. Substantial Shareholders and Others

As at 30th September, 2003, the interests and short positions of every person, other than directors of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

Name of Company	No. of Shares in which interested	Approximate % of Shareholding
CSA Holdings Ltd ("CSA")	189,701,896	65.20%
CSC Computer Sciences International Inc. ("CSI")	203,431,896 ⁵	69.92%
Computer Sciences Corporation ("CSC")	203,431,896 ⁵	69.92%

Save as mentioned above, as at 30th September, 2003, the register maintained by the Company pursuant to section 336 of the SFO recorded no other interests or short positions in shares and underlying shares of the Company.

Notes:

1. These shares were non-voting deferred shares.
2. The issued share capital of Automated Systems (H.K.) Limited comprise 55,350,000 non-voting deferred shares and 2 ordinary shares. The 2 ordinary shares are beneficially owned by the Company.
3. Options to acquire ordinary shares of the Company, further details of which are set out in the section headed "Share Options" below.
4. Comprise options to acquire 7,420 shares of CSC common stock and 46 units (representing 46 shares of common stock) in CSC Stock Fund.
5. CSI beneficially owned more than 70% of CSA and was accordingly deemed by the SFO to be interested in 189,701,896 shares of the Company. In addition, CSI owned directly 13,730,000 shares of the Company. CSC, through its wholly-owned subsidiary, CSI, was deemed by the SFO to be interested in 203,431,896 shares of the Company.

Share Options

The following table discloses movements in the Company's share options during the period.

Participants	Number of shares to be issued upon exercise of share options			At 30th September, 2003	Date of grant	Exercise period	Exercise price HK\$	
	At 1st April, 2003	Granted during the period	Exercised during the period					Lapsed during the period
Directors								
LAI Yam Ting	490,000	-	-	-	490,000	2.3.1999	3.3.2001 to 2.3.2009	0.90
	245,000	-	-	-	245,000	19.10.1999	20.10.2001 to 19.10.2009	2.30
	245,000	-	-	-	245,000	11.2.2000	12.2.2002 to 11.2.2010	3.35
	196,000	-	-	-	196,000	27.7.2001	27.7.2003 to 26.7.2011	2.40
	412,000	-	-	-	412,000	20.11.2002	20.11.2003 to 19.11.2012	1.34
	<u>1,588,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,588,000</u>			
Peter KUO Chi Yung	245,000	-	-	-	245,000	19.10.1999	20.10.2001 to 19.10.2009	2.30
	245,000	-	-	-	245,000	11.2.2000	12.2.2002 to 11.2.2010	3.35
	218,000	-	-	-	218,000	27.7.2001	27.7.2003 to 26.7.2011	2.40
	<u>708,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>708,000</u>			
Edward LAU Ming Chi	120,000	-	-	-	120,000	19.10.1999	20.10.2001 to 19.10.2009	2.30
	120,000	-	-	-	120,000	11.2.2000	12.2.2002 to 11.2.2010	3.35
	148,000	-	-	-	148,000	27.7.2001	27.7.2003 to 26.7.2011	2.40
	330,000	-	-	-	330,000	20.11.2002	20.11.2003 to 19.11.2012	1.34
	<u>718,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>718,000</u>			

Participants	Number of shares to be issued upon exercise of share options				At 30th September, 2003	Date of grant	Exercise period	Exercise price HK\$
	At 1st April, 2003	Granted during the period	Exercised during the period	Lapsed during the period				
Other employees	920,000	-	(40,000)	-	880,000	2.3.1999	3.3.2001 to 2.3.2009	0.90
	2,110,000	-	-	(20,000)	2,090,000	19.10.1999	20.10.2001 to 19.10.2009	2.30
	2,135,000	-	-	(20,000)	2,115,000	11.2.2000	12.2.2002 to 11.2.2010	3.35
	760,000	-	-	-	760,000	30.6.2000	1.7.2002 to 30.6.2010	3.40
	2,488,000	-	-	(30,000)	2,458,000	27.7.2001	27.7.2003 to 26.7.2011	2.40
	5,034,000	-	-	(42,000)	4,992,000	20.11.2002	20.11.2003 to 19.11.2012	1.34
	<u>13,447,000</u>	<u>-</u>	<u>(40,000)</u>	<u>(112,000)</u>	<u>13,295,000</u>			
Total	<u>16,461,000</u>	<u>-</u>	<u>(40,000)</u>	<u>(112,000)</u>	<u>16,309,000</u>			

Closure of Register of Members

The Register of Members of the Company will be closed from Wednesday, 17th December, 2003 to Friday, 19th December, 2003, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's registrars, Tengis Limited at G/F Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on 16th December, 2003. The dividend warrants will be despatched on 31st December, 2003.

Purchase, Sale or Redemption of Listed Securities

During the six months period ended 30th September, 2003, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Audit Committee

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited interim results.

Code of Best Practice

None of the directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the accounting period under review, in compliance with Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, except that non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election in accordance with the bye-laws of the Company.